

REPORT / RECOMMENDATION



To: Park Board

Agenda Item #: VI.A.

From: Ann Kattreh
Parks & Recreation Director

Action ☐

Discussion ☐

Date: April 14, 2015

Information ☒

Subject: Donations, Sponsorships and Advertising Policy

Action Requested:

None. Information only.

Information / Background:

A revised Donations, Sponsorships and Advertising Policy was prepared by city staff based on the concepts identified by a Park Board working group, City Council feedback at three work sessions, and staff recommendations. This policy was prepared by Assistant City Manager Karen Kurt and was approved by the City Council on Nov. 18, 2014. The previous policy was approved on June 5, 1995.

This is provided as "information only" as staff thought it was pertinent considering a potential donation of sculptures at Centennial Lakes Park is also on the Park Board agenda.

Attachment:

Donations, Sponsorships and Advertising Policy



DONATIONS, SPONSORSHIPS AND ADVERTISING POLICY

1. General Statement

This policy is intended to apply uniform criteria and guidelines for donations, sponsorships and advertising across City departments and functions. The objectives of the policy are to:

- Establish and guide relationships with donors, sponsors and advertising organizations who share the City's commitment to provide a high-quality civic environment;
- To enrich our community by responsibly and efficiently managing such activities; and
- To generate revenue to fund new and existing facilities, projects, programs and activities for the benefit of the City and its residents.

2. Donations

Introduction

The City of Edina encourages and welcomes donations from civic groups, organizations, individuals, businesses or churches for a variety of community programs, projects or events. The City appreciates the generosity of donors who wish to make Edina a better community for all.

Types of Donations

Donations are defined as a monetary (cash) contribution, financial securities, real or personal property the City has accepted and for which the donor has received no compensation, goods or services in return. Donations may be restricted or unrestricted.

Donations fall into three categories:

Restricted donations are given for a specified purpose or with conditions attached. Restricted donations require a written agreement be accepted by the City Council. The written agreement should outline responsibility for purchasing, installation, repair and replacement costs. Unless the written agreement provides for long-term repair and replacement costs, the City has the right to remove, relocate or dispose of a donation when it has been vandalized, damaged or reached the end of its useful life. The City also reserves the right to relocate a donation when its current location interferes with site safety, maintenance, facility use, aesthetics or construction activities.

Unrestricted donations do not have a condition specified for use or recognition. Donated items are assumed to be unrestricted unless a written agreement to restrict the donation is accepted by the City Council.

Donation programs are documented programs, typically created by City departments, for donations. Examples could include programs for purchasing brick pavers, park benches or trees; or large capital campaigns for projects such as the Hornet's Nest and Veterans Memorial. The written program should cover the key elements of a written agreement for restricted gifts, including how donors will be recognized and what happens when the item is damaged or reaches the end of its life span. When an approved program exists, gifts will be treated as unrestricted donations under the Donation Acceptance Process.

Donations programs will be reviewed and approved by the City Council. In the case of capital campaigns for large projects, the City will not contract for services or purchase materials until 100% of the donation goal has been met unless earlier action is approved by the City Council.

Donation Acceptance Criteria

Minnesota State Statute 465.03 requires the City Council to formally approve gifts to the City. As a result, donations do not become the property of the City until accepted by the City Council. Donations also involve considerations of aesthetics, compatibility and cost. City leadership will evaluate donations for acceptance by the City Council based on the following criteria:

- The item is made of durable, high-quality materials and/or in good condition and there is an appropriate and safe place for location. The items should be free of inherent hazards or other characteristics that could potentially cause harm or injury.
- The donation doesn't conflict with future site plans, including improvements, renovations, conversions or potential changes in use. Donated items must complement the character of the specific site or facility with respect to scale, materials, subject and style in relation to the physical site, its uses and its users.
- The donation doesn't include commercial advertising or solicitation. Corporate donations are encouraged, but will not constitute an endorsement of the organization, product or service by the City.

Donation Acceptance Process

City staff will evaluate all donations for approval by the City Council. If staff recommends approval of an unrestricted donation, he or she will forward the item to the City Clerk for inclusion on a resolution accepting donations for Council approval. If staff recommends approval of a restricted donation, a separate report and recommendation will be prepared for Council that includes the written agreement for the donation.

Donations given through a donation program do not typically require staff approval. These donations will also be forwarded to the City Clerk for inclusion on a resolution accepting donations for Council approval.

Recognition

Recognition of unrestricted donations will follow the standards outlined below:

Donation Amount	Type of Recognition
Up to \$500	<ul style="list-style-type: none">• Letter of appreciation from Department
\$500 to \$4,999	<ul style="list-style-type: none">• Letter of appreciation from Mayor• Donation listed in annual <i>About Town</i> report
\$5,000 to \$24,999 (Bronze)	<ul style="list-style-type: none">• Letter of appreciation from Mayor• Donation listed in annual <i>About Town</i> Report• Listed as bronze sponsor on publicly displayed board at City Hall or appropriate City facility
\$25,000 to \$49,999 (Silver)	<ul style="list-style-type: none">• Letter of appreciation from Mayor• Donation listed in annual <i>About Town</i> Report• Listed as silver sponsor on publicly displayed donor board at City Hall or appropriate City facility• Engraved plaque of appreciation presented by Mayor, City Manager or other City official at an appropriate event (ribbon-cutting ceremony, facility or event opening, or City Council meeting)
\$50,000-\$99,999 (Gold)	<ul style="list-style-type: none">• Letter of appreciation from Mayor• Donation listed in annual <i>About Town</i> Report• Listed as gold sponsor on publicly displayed donor board at City Hall or appropriate City facility• Engraved plaque of appreciation presented by Mayor, City Manager or other City official at an appropriate event (ribbon-cutting ceremony, facility or event opening, or City Council meeting)
\$100,000 or more (Platinum)	<ul style="list-style-type: none">• Letter of appreciation from Mayor

	<ul style="list-style-type: none"> • Donation listed in annual <i>About Town</i> Report • Listed as platinum sponsor on publicly displayed donor board at City Hall or appropriate City facility • Engraved plaque of appreciation presented by Mayor, City Manager or other City official at an appropriate event (ribbon-cutting ceremony, facility or event opening, or City Council meeting)
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Recognition of restricted donations or donations through a donation program should generally follow the principles summarized in the table above. In some cases, a physical plaque at the site or similar item may be warranted to recognize the donation. Provisions for physical recognition should be covered in the written agreement for a restricted donation or in the donation program guidelines. Physical recognition should generally be discreet in nature, uniformly applied and consistent with City branding standards.

Edina Community Foundation

This policy also applies to donations (grants) from the Edina Community Foundation. Most donations can be made directly to the City. However, the Edina Community Foundation can be an important partner when soliciting donations. Partnership opportunities include those times when:

- Large-scale fundraising is necessary,
- Donations are being collected at an event hosted by an outside party to support a community goal, and/or
- Donors wish to remain anonymous.

Both the Foundation and donor (if applicable) will be recognized unless the donor requests to remain anonymous.

3. Sponsorships and Advertising

Definitions

A *sponsorship* is payment to support an event, program or facility with the expectation that the sponsor will be publicly acknowledged for their contribution. To qualify for a tax deduction under IRS rules, sponsors can only be acknowledged by mentioning or displaying the following: company name, company logo, slogan, product lines or value-neutral descriptions of a sponsor's goods or services, and contact information (address, phone number and web address). It is also permissible to distribute or display a sponsor's products to the general public at the sponsored activity or event.

An *advertisement* is payment for the opportunity to market products or services through a City communication platform, program or event. Advertisements include a call to purchase, sell or use the advertiser's products or services. Advertisements may also include coupons, endorsements, pricing or indications of savings or value, or comparisons to competitors. Fees for advertisements are set by Communications & Technology Services Department.

Guidelines

The City of Edina will not accept sponsorships or advertisements in the following cases:

- The organization's product or service conflicts with a City's policy or goal. For example, the City does not accept sponsorships or advertisements from organizations promoting tobacco use or gambling.
- The organization's product or service competes with a City enterprise facility.
- The sponsorship or advertisement supersedes or interferes with the primary objective of a program or service provided by the City of Edina.
- The sponsorship or advertisement interferes with the City's political neutrality.
- The sponsorship or advertisement supersedes or interferes with the aesthetic quality of public lands and facilities.

The City Manager or his or her delegate will determine the appropriateness of advertising and sponsorship requests. Generally, advertising will not be considered for City fixed assets (e.g. buildings, signs and equipment) with the exception of enterprise facilities. Advertising may be considered on fixed assets at enterprise facilities, which are expected to generate enough revenue to substantially cover operating expenses, as long as the criteria above are met.

Edina Liquor may advertise on fixed assets at enterprise facilities, but only to recognize the role Edina Liquor plays in funding City programs or facilities and not to promote product use.

Sponsorship Benefits

Sponsorships are payments to support a specific event or program(s) that have defined dates and venues. Sponsorship benefits are summarized in the table below. It is important to note that some benefits will not apply to all events.

Event Sponsorship Amount	Event Sponsorship Benefits (as applicable)
Up to \$500	<ul style="list-style-type: none"> • Letter of appreciation from department • Sponsor's name on event website or page • Sponsor's name on event program
\$500-\$999	Benefits listed above, plus: <ul style="list-style-type: none"> • Verbal recognition of sponsorship at event
\$1,000-\$2,499	Benefits listed above, plus: <ul style="list-style-type: none"> • Sponsor allowed to place a reasonably sized temporary sign or banner at the event • Posters, ads or similar marketing materials include the logos of the sponsors • Free tickets (2 tickets for every \$1,000 given)
\$2,500-\$4,999	Benefits listed above, plus: <ul style="list-style-type: none"> • Sponsor allowed to have table or some other presence at event • Sponsor may purchase one deeply discounted ad in <i>About Town</i> or <i>Parks & Recreation Activities Directory</i> or commercial to run during Movies in the Park for every \$2,500 given.
\$5,000 and \$9,999	Benefits listed above, plus: <ul style="list-style-type: none"> • Sponsor given opportunity to speak at the event for up to two minutes • Sponsor is recognized as a "presenting sponsor" in press release • Sponsor is recognized as a "presenting sponsor" in marketing materials and advertisements.
\$10,000 and above	Benefits listed above, plus possible additional items negotiated as part of an agreement.

Additional sponsorship benefits - unique to the facility or program - may be approved by the City Manager, or his or her delegate, as long as the value is commensurate with the benefits outlined on the schedule above.